Misuse of Staff Cars

179. SHRI O. P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether there have been many cases of uttar misuse of Government Staff cars attached with individual officers.

(b) if so, the number of staff cars which do run 70 kms and above per day and what are the entries made in the log books;

(c) the extent to which this run on daily basis could be genuine as also the entries and whether there is any proposal to investigate all such entries/run.

(d) whether staff cars have also been provided to officers below the status of Joint Secretaries and equivalent in Government offices including defence headquarters;

(e) if so, the details thereof; and

(f) if not, wherefrom the officers below the rank of Joint Secretaries have been managing the staff cars?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (c) The use of Staff Cars is regulated in accordance with the provisions contained in the Staff Car Rules. The Staff Cars form a pool and are deployed according to availability and requirement. The Controlling Officer is responsible for proper use of Staff Cars and for regulating journeys in Staff Cars. Log Books are required to be maintained for each staff car to prevent its misuse and entries made in these Log Books are required to be scrutinised by a senior officer in the concerned Ministry/Department, preferably of the rank of Joint Secretary. No specific case of misuse of Government Staff Car has been reported to the Ministry of Finance.

The information regarding the number of Staff Cars that run 70 Kms. and above per day is not centrally maintained and will have to be collected from all the Ministries, Department and attached/subordinate offices. The time and labour involved in collecting the information may not be commensurate with the results to be achieved.

(d) to (f) Officers below the rank of Joint Secretary who are deputed on official duty, are entitled to the use of Staff Cars.

Lending and Deposit rates of banks

180. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that prior to nationalisation of Banks and for many years after nationalisation, the banking sector has been providing a number of services and facilities to the account holders free of charge, and were by and large meeting the operational and other expenses from the differentials between lending and deposit rates;

(b) if so, the details of the differentials between lending and deposit rates in the banking sector before nationalisation and during 1980, 1990 and the latest; and

(c) the circumstances under which the nationalised banks are proposing or have stated pricing and escalating charges for most of its facilities and services, for example for drafts, cheque books, cheque, collections, dishonour of cheques, intimation about dishonour of cheques, issue of credit/debit certificates etc?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) Indian Banks' Association have reported that banks were levying service charges before as well as after

nationalisation. The entire burden of cost of the service provided, however, was not realised through service charges which position exists even now. Only a fraction of the operation cost of banks is met through service charges.

(b) The details of the lending and deposit rates during the years before nationalisation of banks and in 1980, 1990, 1994 and 1995 are furnished below:—

(Rate of interest %p.a.)

Deposits Year	Savings	Term Deposits
1. 1968	3.5	From 15 days to 5 years and above: Ranging from 1.25 to 6.75
2. 1980	5.0	From 15 days to 5 years and above : Ranging from 2.50 to 10.0
3. 1990	5.0	From 46 days to 3 years and above . Ranging from 8.0 to 11.0
4 1994	4.5	From 46 days to 3 years and above : 10.0 (maximum)
5. 1995 (w.e.f. 10-2-95)	4.5	From 46 days to 3 years and above 11.0 (maximum)
Advances		
1. 1968	9.50	(maximum)
2. 1980	13.50	(minimum), 20.50 (maximum)
3. 1990	10.00	(minimum) upto Rs. 7500/-)
	16.00	(minimum) over Rs. 2 lakhs)
4. 1994 (Upto 17-10-94 w.e.f. 18-10-94)	12.00	(Upto Rs. 25000/-) 15.0 (minimum over Rs. 2 lakhs). (12.0 upto Rs. 25000/-) Free (Over Rs. 2 lakhs)
5. 1995	12.00 Free	(Upto Rs. 25000/-). (Over Rs. 2 lakhs).

The lending rate structure provides for rate of interest as per the size of the advance whereas rates of interest on deposits differ according to the nature and period of deposits. Reserve Bank of India has, therefore, reported that the differential between lending and deposit rates cannot be worked out.

(c) With increase in the operational costs of providing various services and the volume and the demand for these services increasing at a fast rate, banks have to review service charges periodically to ensure that the gap between the cost of providing services and the service charge realised is not too wide. That the public sector banks have shown restraint in not passing the burden of increase in the cost of providing services can be evidenced from the fact that in the last ten years, service charges of banks were revised only twice, once in 1985 and then in 1991. In 1994, banks were given only benchmark rates to enable them to fix service charges on their own depending upon their specific costs and prices of the services